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OPEN MEETING ITEM

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M E A T I O N A L C O R P O R A T I O N C O M M I S S I O N

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TO: THE COMMISSION

SEP 28 1999

1999 SEP 28 A 11: 17

FROM: Utilities Division

DOCKETED BY

AZ CORP COMMISSION  
DOCUMENT CONTROL

DATE: September 28, 1999

RE: IN THE MATTER OF THE COMMISSION STAFF'S FILING FOR APPROVAL OF  
A CONSUMER EDUCATION PLAN (DOCKET NO. RE-00000C-94-0165)

Retail Electric Competition rule R14-2-1614.E requires the Director of the Utilities Division to implement a Consumer Education Program as approved by the Commission. Attached as Exhibit A is Staff's proposed Consumer Education Plan for a consumer education program.

In early 1998, Staff formed a Customer Education Working Group to address the need to educate consumers about electric utility restructuring. An Audience/Messages Subcommittee, created out of the Customer Education Working Group, was composed of 27 representatives from investor-owned utilities, public power, cooperatives, energy service providers, consumer groups, and other interested parties. On July 31, 1998, the Audience/Messages Subcommittee issued the document, "Recommendations for Customer Education Plan about Retail Electric Competition." Staff's proposed Consumer Education Plan incorporates many of the ideas from that document.

The Consumer Education Plan addresses the need for education beginning with the phase-in to competition. The plan then ramps up with the need for education in preparation for full competition. Most of the education will target both residential and small commercial consumers. The plan begins with Staff refining the messages that need to be delivered to consumers and then describes seven vehicles for conveying those messages to consumers. Staff will also convene a Consumer Information Advisory Panel to provide input and advice concerning consumer information and education efforts.

Staff recommends approval of the proposed Consumer Education Plan as a framework for providing information to consumers. Staff has requested authorization to make reasonable modifications and additions to the plan if necessary.

Deborah R. Scott

Director

Utilities Division

DRS:BEK:sjsJFW

ORIGINATOR: Barbara Keene

## Exhibit A

### CONSUMER EDUCATION PLAN

#### **Introduction**

Retail Electric Competition rule R14-2-1614.E requires the Director of Utilities Division to implement a Consumer Education Program that has been approved by the Commission. This document is Staff's plan for a consumer education program.

In early 1998, Commission Staff formed a Customer Education Working Group to address the need to educate consumers about electric utility restructuring. An Audience/Messages Subcommittee, created out of the Customer Education Working Group, was composed of 27 representatives from investor-owned utilities, public power, cooperatives, energy service providers, consumer groups, and other interested parties. On July 31, 1998, the Audience/Messages Subcommittee issued the document, "Recommendations for Customer Education Plan about Retail Electric Competition." Staff's proposed consumer education plan incorporates many of the ideas from that document.

The Consumer Education Plan addresses the need for education beginning with the phase-in to competition. The plan then ramps up with the need for education in preparation for full competition. Most of the education will target both residential and small commercial consumers. The plan begins with Staff refining the messages that need to be delivered to consumers and then describes seven vehicles for conveying those messages to consumers. Staff will also convene a Consumer Information Advisory Panel to provide input and advice concerning consumer information and education efforts.

#### **I. Refinement of Messages and Target Audiences**

Commission Staff will continue to refine and develop the messages, target market audiences, and details of the consumer education program. The Staff will follow up on work done by the Customer Education Working Group in 1998.

#### **II. Flyer/Brochure Development**

One of the first activities of the education program will be to develop various flyers to provide to interested consumers. The flyers will describe electric competition in layman's term and answer many of the questions that consumers may have about competition.

The following flyers will be developed by Staff and reproduced in limited quantities until Staff has had the opportunity to develop professional brochures that address the same topics. The flyers will be available to consumers upon request.

- "A Brief Introduction to Retail Electric Competition for Residential Customers in Arizona"
- "A Brief Introduction to Retail Electric Competition for Small Commercial Customers in Arizona"
- "A Brief Summary of Arizona's Retail Electric Competition Rules"
- "Questions About Electric Competition for Residential Customers"
- "Questions About Electric Competition for Small Commercial Customers"

As Staff commences the implementation of the Consumer Education Program, it will have an opportunity to evaluate the effectiveness of the information included in the flyers. Modification will be made to the wording included in the flyers and this modified wording will serve as the basis of the development of the brochures. Staff will actively distribute the brochures to target audiences, instead of just responding to requests. Brochures will be distributed at public meetings and fairs; sent to governmental agencies, community-based organizations, neighborhood associations, homeowner associations, and civic organizations.

### III. **Web Page Information Development**

Staff will redesign the electric competition area of the Commission Web site to make it more useful and "user friendly." Staff will continue to develop and insert information on the Web Site concerning retail electric competition.

### IV. **Publicity Campaign**

Staff will develop a publicity campaign to "get the word out" about retail electric competition. This will include TV interviews, radio interviews and talk show discussions, and the development of feature and news stories to be placed in Arizona newspapers.

### V. **Public Service Announcements**

Staff plans to hire a consultant to assist in the development of public service announcements to be played by radio and television stations. By the use of public service announcements, the Commission can maximize general information dissemination without having to resort to expensive advertising.

### VI. **ACC Road Show**

The Consumer Service Section will be hiring two specialists to handle the education efforts about retail electric competition. Part of the work of those two specialists will be to plan, schedule, publicize, and conduct various workshops and presentations addressing retail electric competition at various locations throughout Arizona. A slide show would be developed for use at the workshops.

### VII. **Speakers Bureau**

To respond to requests for speakers, the Staff will establish a Speakers Bureau of Commission employees and outside speakers who will be able to meet with various groups to make presentations and answer questions about retail electric competition.

**VIII. Advertising**

Staff will develop a modest, targeted advertising campaign to provide information about retail electric competition.

**IX. Consumer Information Advisory Panel**

As provided for in R-14-2-1617.I, the Utilities Division Director will establish a Consumer Information Advisory Panel to provide input and advice concerning consumer information and education efforts. This panel will meet periodically with Staff to review Consumer Education Program efforts. The panel will also be asked to review and comment on various Staff proposals related to consumer information.

**X. Miscellaneous Activities**

Staff will develop other programs, as needed, based on requests from the public or organizations that are involved in retail electric competition.

**XI. Proposed Timeline**

(Subject to appropriate modification, if necessary)

**Part 1: Preparing for Phase-in of Competition (1999)**

Activity	Dates
Refinement of messages/audiences	September-November
Flyer Development	September-October
Brochure Development	November-December
Web Page Information Development	August-December
Publicity Campaign Development Implementation	September-October November-December
Public Service Announcements Development Implementation	October-November November-December
ACC Road Shows	December
Speakers Bureau	December
Advertising	December
Consumer Information Advisory Panel	October-December
Miscellaneous Activities	as needed

## Part 2: Preparing for Full Competition (2000)

Activity	Dates
Refinement of messages/audiences	May-September
Brochure Development	May-July
Web Page Information Development	January-December
Publicity Campaign Implementation	July-December
Public Service Announcements Development	June
Implementation	July-December
ACC Road Shows	July-December
Speakers Bureau	July-December
Advertising	October-December
Consumer Information Advisory Panel	March-August
Miscellaneous Activities	as needed

**XII. Proposed Budget**  
(Subject to appropriate modification, if necessary.)

The Arizona Legislature authorized that specific funds be allocated for Customer Education.

Commission Budget for Consumer Education  
July 1, 1999-June 30, 2000

Development of Flyers/Brochures	\$ 20,000
Printing of Flyers/Brochures	100,000
Postage for Mailing Flyers/Brochures	35,000
Print Advertising	10,000
Development of Public Service Announcement	20,000
Airtime for Public Service Announcement	50,000
Speaker's Bureau	40,000
Telephone Costs	24,000
Total	\$299,000

Commission Budget for Consumer Education  
July 1, 2000-June 30, 2001

Development of Brochures	TBD
Printing of Brochures	TBD
Postage for Mailing Brochures	TBD
Print Advertising	TBD
Development of Public Service Announcement	TBD
Airtime for Public Service Announcement	TBD
Speaker's Bureau	TBD
Telephone Costs	TBD
Total	\$299,000

TBD (To be decided) = The actual budget allocations will be determined at a later date.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **CARL J. KUNASEK**  
Chairman

3 **JIM IRVIN**  
Commissioner

4 **WILLIAM A. MUNDELL**  
Commissioner

5 IN THE MATTER OF COMMISSION STAFF'S )  
6 FILING FOR APPROVAL OF A CONSUMER )  
7 EDUCATION PLAN. )

DOCKET NO. RE-00000C-94-0165

DECISION NO. \_\_\_\_\_

ORDER

8  
9 Open Meeting  
October 6 and 7, 1999  
10 Phoenix, Arizona

11 BY THE COMMISSION:

12 FINDINGS OF FACT

13 1. Retail Electric Competition rule R14-2-1614.E requires the Director of the Utilities  
14 Division to implement a Consumer Education Program as approved by the Commission. Attached as  
15 Exhibit A is Staff's proposed Consumer Education Plan for a consumer education program.

16 2. In early 1998, Staff formed a Customer Education Working Group to address the need  
17 to educate consumers about electric utility restructuring. An Audience/Messages Subcommittee,  
18 created out of the Customer Education Working Group, was composed of 27 representatives from  
19 investor-owned utilities, public power, cooperatives, energy service providers, consumer groups, and  
20 other interested parties. On July 31, 1998, the Audience/Messages Subcommittee issued the  
21 document, "Recommendations for Customer Education Plan about Retail Electric Competition."  
22 Staff's proposed Consumer Education Plan incorporates many of the ideas from that document.

23 3. The Consumer Education Plan addresses the need for education beginning with the  
24 phase-in to competition. The plan then ramps up with the need for education in preparation for full  
25 competition. Most of the education will target both residential and small commercial consumers. The  
26 plan begins with Staff refining the messages that need to be delivered to consumers and then describes  
27 seven vehicles for conveying those messages to consumers.

28 ...

4. Staff will also convene a Consumer Information Advisory Panel to provide input and advice concerning consumer information and education efforts.

5. Staff has recommended approval of the proposed Consumer Education Plan as a framework for providing information to consumers. Staff requested authorization to make reasonable modifications and additions to the plan if necessary.

6. Staff recommendations as set forth in finding of fact number 5 are reasonable and should be approved.

#### CONCLUSIONS OF LAW

1. The Commission, having reviewed the filing and Staff's Memorandum dated September 28, 1999, concludes that it is in the public interest to approve the Consumer Education Plan.

#### ORDER

THEREFORE, IT IS ORDERED that the proposed Consumer Education Plan be and hereby is approved.

IT IS FURTHER ORDERED that Staff is authorized to make reasonable modifications and additions to the plan as necessary.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
Executive Secretary of the Arizona Corporation  
Commission, have hereunto, set my hand and caused the  
official seal of this Commission to be affixed at the Capitol,  
in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_,  
1999.

BRIAN C. McNEIL  
Executive Secretary

DISSENT: \_\_\_\_\_

DRS:BEK:sjs\JFW